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C O N F I D E N T I A L SECTION 01 OF 03 MANAMA 000704

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STATE FOR DRL: JOSEPH DEMARIA
LABOR FOR ILAB: JAMES RUDE

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TAGS: [ELAB](#) [PGOV](#) [PREL](#) [BA](#) [REGION](#) [HUMRIT](#) [REFORM](#)
SUBJECT: FUTURE UNCERTAIN FOR NATIONAL EMPLOYMENT PROJECT

REF: A. MANAMA 20
[1](#)B. MANAMA 404

Classified By: Ambassador William T. Monroe for reasons 1.4(b) and (d).

Summary

[1](#)1. (C) Bahrain's much-anticipated 80 million dollar National Employment Project (NEP) completed its formal registration phase at the end of February and has moved into its worker orientation and assessment phases. NEP Head of Marketing Nizar Al Qari told PolOff April 18 that optimism and morale among NEP implementers have slipped due to management decisions. The shuffling of leadership responsibilities has led to a complicated chain of command and decreased organizational effectiveness. Minister of Labor Dr. Majeed Al Alawi's strained relationship with Australian consultant EFI over proper use of a worker aptitude assessment exam could result in the consultant being pulled from the project.

Misuse of assessment results by job placement counselors has led to increased numbers of registrants refusing job offers and press coverage of NEP's shortcomings. End Summary.

[1](#)2. (C) Fall 2005 saw hope and anticipation build through an NEP public marketing campaign under the leadership of the Minister of Labor. The NEP proposed to register all of the estimated 20,000 unemployed Bahrainis beginning in January and provide support to place them into jobs (ref A). The program was to assess the skills and aptitudes of individual unemployed workers, to match each with a job available in the private or public sector, and to provide necessary training based on the requirements of the position. The formal registration phase was conducted in January and February. The following progress report presents a differing perspective from inside the program to that presented by Minister Al Alawi one month earlier in ref B.

NEP Management Problems

[1](#)3. (C) NEP Head of Marketing Nizar Al Qari told PolOff that early optimism in the project and high morale have waned in the wake of management decisions and questionable project leadership. Publicly officials are maintaining a positive outlook, but internally there are doubts about management shuffling that has undercut the effectiveness of the program.

According to Al Qari, Minister of Labor Majeed Al Alawi has assumed direct oversight of parts of the project that were previously managed by Ministry of Labor Assistant Undersecretary for Training and NEP Director Ahmed Al Banna. This change has complicated the chain of command and created a disorganized management structure leading to confusion in

the project.

14. (C) Al Qari reported difficulties in the relationship between Minister Al Alawi and Australian consultant EFI International. EFI has counseled against some of the decisions of the Minister, and the Minister has not been satisfied with EFI's support and reportedly is considering releasing them from the project. Al Qari feels this would be a grave mistake. The cornerstone of the NEP has been the worker skill and aptitude assessment phase for which EFI is responsible and which was lacking in previous employment projects. This missing piece in previous years' programs resulted in many newly-placed workers leaving their jobs after a short time due to low interest and motivation. In the NEP, worker assessment has proceeded at a rate of approximately 240 workers per day, but per a directive from the Minister, according to Al Qari, assessment results are not being used by the team of 40 job counselors placing workers. Also per Ministerial directive, training of these counselors was accelerated and abbreviated with the intent of increasing early job placements. The results have been under-trained counselors not taking advantage of aptitude assessments and press reports of job refusals by workers in the program.

Placements Not On Track to Reach Goal

15. (C) Al Qari expressed concern that so far there have been fewer than 400 workers placed in jobs while publicly the Minister has promised that by year's end 10,000 workers will be in jobs. Although Al Qari recognized that the Minister was a very effective advocate for the program in the lead-up

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to the registration campaign, he thought the program's promises of 10,000 new jobs and the availability of public sector jobs were mistakes. In reality, the public sector jobs have been limited to government school teaching positions, which require high levels of education and for which most of the registrants are not qualified. Another concern is that employers are becoming increasingly upset at work permit processing delays. The NEP recruitment unit promised employers expedited approval for their expatriate workers if they agreed to reserve jobs for Bahrainis in the NEP. If discontent continues to rise, employers may reconsider their participation in the program.

16. (C) Al Qari maintained that regardless of the unemployment numbers talked about in the press, there are no more than 5,000 truly unemployed Bahrainis in the country. He said that a large number of women registered under the NEP had not worked previously and were stay-at-home mothers and wives. Many of them registered thinking they would be eligible for a financial grant from the King. When told that there was no grant but that they would receive a stipend through the training period leading to a job, a common response was, "I don't really want a job, I just want training." Al Qari said that the NEP is exploring the idea of a job share system in retail businesses for middle-aged women with low skills. The women are more comfortable with an abbreviated schedule and are happy to be able to supplement their families' incomes.

On the Other Hand, Still Some Cause for Optimism

17. (U) Ministry of Labor Assistant Undersecretary for Training Ahmed Al Banna revised NEP registered unemployment figures April 24 from those announced four weeks earlier. He said that the number of registrants had dropped to 10,916 from nearly 13,000, meaning that over 2,000 registered under the NEP had found jobs. He admitted that "a large number had found jobs through their own efforts," but said that many

others had been helped through the NEP, and others had received "Commercial Registrations" enabling them to open their own business. (Note: Al Banna did not mention how many may have been NEP registrants who decided not to continue in the program, such as housewives who were not committed to working. End note.) Al Banna said that nearly 500 others had begun Bahrain Training Institute courses and will begin their jobs after completing their respective courses.

Applicants' Willingness to Work in Question

18. (U) Al Banna had told the press March 28 that the 12,949 people accepted for the NEP reflected the accurate number of unemployed Bahrainis in the country. However, Al Banna warned that the NEP would not be successful if those seeking jobs were too choosy. The story reported that of 1813 registrants interviewed at that point, only 977 (54%) had accepted positions offered to them. Of the total number of registrants Al Banna said that 16% of this total had university degrees and another 15% had some post-secondary schooling. The remaining had a high school education or less. Seventy-five percent of those accepted to the program were women.

19. (U) Bahrain Petroleum Company President Dr. Mustafa Al Sayed referred to the NEP April 10 on the sidelines of the Asian Regional Training Development Organization's Human Resources Conference, saying that those seeking jobs need to realize that they will start at the bottom and work their way up. "Every job is good if one does it very well. That is the attitude that companies look for." Al Sayed said that competition is tight in the labor market, and the unemployed are missing out on a good opportunity if they refuse offers of work provided by the NEP.

Comment

110. (C) The NEP is an important piece in the Crown Prince's economic reform movement. Even limited success would be a great disappointment to the palace, the government, and to the people. The project has high visibility as one which can provide for the needs of the disadvantaged as they compete in the labor market against better-trained expatriate workers. If it does not reach up to its billing, deep-seated mistrust

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between the government and the public, in particular the Shia population, which is disproportionately impacted by unemployment, will only grow. Pessimists who disparaged the project before it started will be proved to have been right all along. However, the project is still in its early stages. The formal registration period closed at the end of February, so phase two introductory sessions, phase three assessment and counseling sessions, and phase four training sessions are still accommodating the bulk of registrants. There will be more clarity as larger numbers of workers complete training and decide whether to accept their assigned jobs.

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